

## Message Text

PAGE 01 STATE 026838

17

ORIGIN IO-03

INFO OCT-01 ISO-00 /004 R

66615

DRAFTED BY IO/HDC:LNCAVANAUGH:DD

APPROVED BY IO/HDC:EPNOZIGLIA

----- 046994

R 060014Z FEB 75

FM SECSTATE WASHDC

TO USMISSION GENEVA

C O N F I D E N T I A L STATE 026838

FOL REPEAT VIENTIANE 777 SENT ACTION SECSTATE

INFO RANGOON BANGKOK FEB 3

QTE

C O N F I D E N T I A L VIENTIANE 777

AIDAC

S/NM

E.O. 11652: GDS

SUBJECT: NARCOTICS SEMI-ANNUAL REPORTING REQUIREMENTS/

CONGRESSIONAL PRESENTATION

REF: A) STATE 012151

B) STATE A-3527

C) STATE 142880

D) VIENTIANE 5492

E) VIENTIANE A-004

1. THE FOLLOWING IS MISSION RESPONSE TO REFTEL A. QUANTITATIVE  
INPUTS OF US ASSISTANCE AND STATUS OF PROGRAM IMPLEMENTATION  
FOLLOWED BY NARRATIVE INFORMATION REQUESTED ARE KEYED TO REFTEL  
A.

CONFIDENTIAL

PAGE 02 STATE 026838

A) SIGNED PRO-AGS AGR RED CUSTOMS DEA NAP DETOX PRO SPT

JUL 31, 74-ORIGINAL 1,600

1 TCN ADVISOR TO

ASSIST DIRECTORATE  
OF AGRICULTURE

JUL 31, 74-REV. 1	7,800	
2 ENGLISH LANGUAGE INSTRUCTORS FOR NARCOTICS POLICE		
JUL 31, 74-REV. 2	21,500	5,000
1) 5 CUSTOMS PARTICIPANT	21,500	
2) EMERGENCY PROCUREMENT		5,000
SEP 4, 74-REV. 3		13,800
1) 9 MOTORCYCLES FOR NC		3,800
2) PURCHASE LOCAL CURRENCY		10,000
NOV 12, 74-REV. 4	42,300	60,000
1) 2 US CONTRACT AGRICULTURISTS	42,300	
2) PURCHASE LOCAL CURRENCY		60,000
NOV 29, 74-REV. 5		9,000
REGIONAL TRAINING DETOX PERSONNEL		9,000
DEC 20, 74-REV. 6		10,000
PURCHASE OF LOCAL CURRENCY		10,000
DEC 20, 74-REV. 7		3,600
1 CLINICIAN AT DETOX CENTER		3,600
CONFIDENTIAL		

PAGE 03 STATE 026838

TOTAL	43,900	21,500	0	7,800	12,600	88,800
-------	--------	--------	---	-------	--------	--------

B) OBLIGATIONS AND EXPENDITURES

(\$000)

CATEGORY	OBL	EXPEND
(1) PERSONNEL (DIRECT HIRE, PASA, CONTRACT)	127.0	248.0
(2) EQUIPMENT AND SUPPLIES	9.0	263.0
(3) CONTRACT SERVICES (75 OBL. INCLUDES TCN/LOCAL CONTRACT EMPLOYEES)	86.0	92.0
(4) OTHER COSTS (OPERATIONAL TRAVEL, LOCAL CURRENCY COSTS,	106.0	176.0

INCLUDING LOCAL COMMODITY  
PROCUREMENT)

(5) TRAINING	30.0	25.0
TOTAL	358.0	804.0

## C) EQUIPMENT

## (1) PROVIDED DURING REPORTING PERIOD

TYPE	QUANTITY	COST (\$000)
TYPEWRITER, LAO KEYBOARD	10	\$ 2.7
POLAROID PHOTO EQUIPMENT		.9
3M COPY MACHINE	1	.3
BINOCULARS	10	.3
TELECOM PARTS		.8
1 H SCOUT II 4X4	7	35.0
VEGETABLE SEEDS		2.6
FERTILIZER		.7
PESTICIDES		.3
WATER PUMP		.4
DURGS AND BIOLOGICALS		14.0
TOTAL		\$58.0

## (2) PIPELINE

TYPE	QUANTITY	COST (\$000)
FARM TRACTORS	4	\$ 45.0
DRUGS AND BIOLOGICALS		31.0
AGRICULTURE SUPPLIES		1.6
MEDICAL EQUIPMENT		22.0
PHOTOGRAPHIC EQUIPMENT		2.8
CONFIDENTIAL		

PAGE 04 STATE 026838

PHOTOCOPY MACHINE	2	.8
TRAINING AID PROJECTOR	1	1.2
OPTICAL PROJECTOR	1	1.2
SEDAN	1	2.5
MOTORCYCLE	9	3.8
TOTAL		\$112.1

## D) SUPPORT COSTS

CATEGORY	(\$000)
DOLLAR SUPPORT COSTS	\$ 70.4
LOCAL CURRENCY (KIP) COSTS	50.0
TOTAL	\$120.4

## E) TRAINING

U.S. TRAINING	NO.	TRAINED BY
LAO NATIONAL POLICE	2	I.P.A.
G.S.I.	1	I.P.A.
LNP	1	I.P.A. (RECORDS MANAGEMENT)
LAO M.P.	2	FORT GORDON, DEA
		10 WEEKS
IN REGION	NO.	TRAINED BY
NC ENFORCEMENT PERSONNEL	8	DEA (TWO WEEKS TRAINING)

IN BANGKOK, THAILAND  
IN COUNTRY NO. TRAINED BY  
NC ENFORCEMENT PERSONNEL 32 USAID (NC ADVISORS)  
RECORDS MANAGEMENT  
HILL TRIBE OPIUM FARMERS 83 LAO DIRECTORATE OF  
AGRICULTURE/USAID  
NC ENFORCEMENT PERSONNEL 60 USAID (NC ADVISORS AND  
CAD/NC ENFORCEMENT TECHNIQUES)

F) PERSONNEL

1) TITLE	NO.	AGENCY (NC FUNDED)
NARCOTICS ADVISORY PROGRAM	2	USAID, DCH
CUSTOMS ASSISTANCE	3	CUSTOMS SERVICE PASA
OPERATION OFFICER (DETOX CTR)	1	USAID, CONTRACT
AGRICULTURE ADVISOR	2	USAID, CONTRACT
PROGRAM OFFICER	1	USAID, DH
SECRETARY	1	USAID, DH

CONFIDENTIAL

PAGE 05 STATE 026838

2) TITLE	NO.	AGENCY (NOT NC FUNDED)
POLITICAL SECTION	1	STATE
NARCOTICS ATTACHE	1	DEA FUNDED
AGRICULTURE ADVISOR	1	USAID, DH
SECRETARY	1	DEA FUNDED

TOTAL 14

3. SECTION

A) SUMMARY. DURING THE REPORTING PERIOD JULY TO DECEMBER, THE PROVISIONAL GOVERNMENT OF NATIONAL UNION (PGNU) FACED A MAJOR CRISIS WHEN PRIME MINISTER SOUVANNA PHOUMA HAD A HEART ATTACK AND WAS VIRTUALLY OUT OF ACTION FOR FIVE MONTHS. PGNU SURVIVED THE TEST. BUT IT HAS NOT YET ADDRESSED ISSUE OF NARCOTICS CONTROL AND, AS A RESULT, EXISTING PROGRAM HAS BEEN GENERALLY UNAFFECTED BY POLITICAL DEVELOPMENTS. HOWEVER, PL AND VIENTIANE SIDE LEADERS HAVE AT TIMES INDEPENDENTLY EXPRESSED VIEW THAT NARCOTICS ARE NOT A SERIOUS PROBLEM FOR LAO, AND OPIUM IS GOOD CASH CROP WHICH LAOS SHOULD BE PERMITTED TO EXPORT. MOREOVER, THERE IS SOME POPULAR SENTIMENT, PARTICULARLY AMONG TRIBES, FOR THE REPEAL OF THE 1971 ANTI-NARCOTICS LAW. CLEARLY, UNDER THESE CIRCUMSTANCES, IT WILL NOT BE POSSIBLE TO ELIMINATE THE GROWING OF OPIUM WITHOUT PROVIDING THE TRIBES WITH ALTERNATIVES.

PRIME MINISTER SOUVANNA PHOUMA AND MINISTER OF INTERIOR PHENG PHONGSAVAN HAVE AGREED WITH THE WASHINGTON DECISION TO DISESTABLISHMENT OF THE GROUPE SPECIAL D'INVESTIGATION (GSI). U.S. HAD ACTIVELY ENCOURAGED AND SUPPORTED THE CREATION OF THIS SPECIAL FORCE THREE YEARS AGO TO ENERGIZE AND CONCENTRATE ENFORCEMENT EFFORTS

AGAINST NARCOTICS. THE TWO MINISTERS AGREED WITH OUR VIEW THAT NARCOTICS ENFORCEMENT RESPONSIBILITIES SHOULD NOW RETURN TO THE TRADITIONAL ENFORCEMENT ELEMENTS, SUCH AS LAO NATIONAL POLICE, MILITARY POLICE AND CUSTOMS. U.S. SUPPORT FOR GSI IS SCHEDULED TO BE FORMALLY PHASED OUT BY END OF FY 75.

WITH THE DISESTABLISHMENT OF GSI, THE LAO ARE TRYING TO DETERMINE WHAT ALTERNATIVE COORDINATING MECHANISM ON NARCOTICS THEY WILL ORGANIZE. THEIR PRESENT THINKING IS TO HAVE A SPECIAL ORGANISM UNDER THE MINISTER  
CONFIDENTIAL

PAGE 06 STATE 026838

OF INTERIOR WHICH WOULD HAVE AUTHORITY TO COORDINATE THE VARIOUS ANTI-NARCOTICS PROGRAMS, ENFORCEMENT, DETOXIFICATION, AND CROP SUBSTITUTION.

A UNFDAC TEAM VISITED LAOS IN THE FALL AND HAS BEEN NEGOTIATING AN AGREEMENT WITH THE PGNU TO INITIALLY UNDERTAKE A CROP SUBSTITUTION PROGRAM. UNFDAC HAS THE FUNDS FOR SUCH A PROGRAM AND APPEARS TO BE VERY INTERESTED. THE DIFFICULTY HAS BEEN THAT THE LAO HAVE BECOME RESISTANT TO THE GROWING NUMBER OF FOREIGN EXPERTS IN THE COUNTRY AND AGREE TO PROGRAMS ONLY WHEN THEY SEE A CLEAR BENEFIT FROM THE PRESENCE OF THESE EXPERTS. WE HAVE OFFERED TO UNFDAC THE CROP SUBSTITUTION PROJECTS STARTED BY USAID AND WOULD HOPE THAT THEY COULD TAKE OVER OUR ENTIRE EFFORT. HOWEVER, UNFDAC HAS SO FAR NOT INDICATED HOW THEY WOULD BE PREPARED TO WORK WITH US.

WHILE UPCOMING OPIUM CROPS APPEARS TO BE LARGER THAN IN THE PAST, MOST LAO OPIUM HAS TRADITIONALLY BEEN CONSUMED LOCALLY. HOWEVER, WITH INCREASING BURMESE/THAI EFFORTS AGAINST NARCOTICS TRAFFICKING AND THE INTERCINE STRUGGLE AMONG TRAFFICKERS IN BURMA, LAOS REMAINS A POTENTIALLY IMPORTANT TRANSIT CHANNEL FOR NARCOTICS INTO INTERNATIONAL TRAFFIC. THEREFORE, WE NEED TO MAINTAIN OUR ANTI-NARCOTICS EFFORTS ACROSS THE BOARD. WE HAVE REDUCED ENFORCEMENT FUNDING LEVELS SINCE WE HAVE COMPLETED THE INITIAL INPUTS OF EQUIPMENT; WE ARE CONSTRUCTING A NEW DETOXIFICATION CENTER WITH PLANS FOR AN OUT-REACH PROGRAM; AND WE SHALL MAINTAIN OUR CROP SUBSTITUTION PROGRAMS UNTIL UNFDAC IS PREPARED TO TAKE THEM OVER. END SUMMARY.

B) ABUSE

1. THERE HAS BEEN NO SIGNIFICANT CHANGE IN LAO DRUG ABUSE PATTERNS SINCE LAST REPORTING PERIOD.

2) SINCE OPENING OF LAO NATIONAL DETOXIFICATION CENTER IN SEPTEMBER 1972, 1,322 PATIENTS HAVE BEEN TREATED. 346 PATIENTS WERE TREATED DURING JULY-DECEMBER 1974 PERIOD. PATIENT ETHNIC IDENTITY WAS PREDOMINANTLY LAO BECAUSE DETOX CENTER IS LOCATED IN VIENTIANE. HOWEVER, ALL ETHNIC GROUPS IN LAOS HAVE BEEN

TREATED THERE. TWO LARGEST ETHNIC GROUPS TREATED LAOS 58 PER  
CONFIDENTIAL

PAGE 07 STATE 026838

CENT AND HKONG 18 PER CENT, MOST OF WHOM WERE FARMERS OVER 40  
YEARS OF AGE. DRUG OF CHOICE STILL REMAINS OPIUM, WITH 82 PER  
CENT OF PATIENTS TREATED BEING ADDICTED TO OPIUM AND 12 PER CENT  
ADDICTED TO HEROIN. RATE OF RECIDIVISM IS ESTIMATED TO BE 50  
PER CENT FOR PATIENTS COMING FROM RURAL AREAS AND SLIGHTLY  
HIGHER FOR THOSE FROM URBAN SURROUNDINGS DUE TO PRESSURES OF  
CITY LIFE. SOME LAO YOUTH HAVE BECOME ADDICTED TO OPIUM AND  
HEROIN BUT THEY CONSTITUTE ONLY A SMALL PERCENTAGE OF PATIENTS  
TREATED AT CENTER. DURING CY 1973 AND CY 1974 A TOTAL OF 40  
PERSONS UNDER AGE OF TWENTY WERE TREATED. IN GENERAL, YOUNG LAO  
ADDICTS HAVE BEEN INFLUENCED BY PRESENCE IN LAOS OF A RELATIVELY  
LARGE NUMBER OF "HIPPIE" WORLD TRAVELERS. WHILE LATEST STAT-  
ISTICS SHOW NO INCREASE IN NUMBER OF LAO YOUTH ADDICTED TO  
DRUGS, THE CONSENSUS OF OPINION OF LAO AND AMERICANS WORKING  
IN THIS FIELD IS THAT DRUG ADDICTION AMONG LAO YOUTH IS SOMEWHAT  
ON THE INCREASE.

3. THERE HAVE BEEN NO CHANGES IN HOST COUNTRY'S ATTITUDE TOWARD  
DRUG ABUSE; IT REMAINS A LOW PRIORITY FOR THE SOCIETY AND COALI-  
TION GOVERNMENT. HOWEVER, PGNU INTEREST IN THE NEW NATIONAL  
DETOXIFICATION CENTER AND PROPOSED OUTREACH PROGRAM (NOTED IN  
PARA 1) IS HIGH.

#### C) PRODUCTION AND PROCESSING

1. OPIUM PRODUCTION, VIENTIANE-SIDE ZONE, BASED UPON A PARTIAL  
MISSION AERIAL SURVEY DONE DURING LAST YEAR'S GROWING SEASON  
(OCTOBER 1973 TO FEBRUARY 1974) IS ESTIMATED TO BE 39.0 METRIC  
TONS (USING 6 KG/HA AVERAGE YIELD). (THERE IS NO INFORMATION  
AVAILABLE ON PRODUCTION IN PATHET LAO ZONE.) THIS YEAR'S PRO-  
DUCTION, ALTHOUGH NOT VERIFIED BY SURVEY, APPEARS TO BE GREATER,  
LARGELY BECAUSE THE PRICE OF RAW OPIUM HAS DOUBLED (FROM  
\$45 PER KILO TO \$90 PER KILO) DURING THE YEAR. HOWEVER, WE  
BELIEVE THAT OVERALL PRODUCTION FOR THE ENTIRE COUNTRY MUST  
HAVE FALLEN IN PAST YEARS (PERHAPS FROM 100 TO SOME 70 TONS)  
AS MANY OF THE TRIBES WHO GREW OPIUM WERE DISPLACED AND HAVE  
BEEN UNABLE TO CULTIVATE POPPIES. PRESENTLY THE MAJORITY OF  
HILLTRIBE FARMERS WHO FORMERLY GREW POPPIES ARE NOW LOCATED  
IN COMPACTED AREAS, ESPECIALLY IN XIENG KHOUANG PROVINCE,  
WHERE VILLAGE SITES ARE AT ALTITUDES THAT ARE NOT CONDUCTIVE TO  
OPIUM PRODUCTION AND WHERE, AT BEST, OPIUM YIELDS ARE SMALL.  
CONFIDENTIAL

PAGE 08 STATE 026838

2. LAOS REMAINS A MINOR SOURCE OF NARCOTICS FOR THE INTERNATION-  
AL MARKET SINCE MOST OPIUM GROWN IN LAOS IS CONSUMED LOCALLY.  
HOWEVER, BURMESE ACTIONS AGAINST OPIUM CARAVANS AND HEROIN  
REFINERIES, COUPLED WITH RECENT SHAN STATE ARMY AND OTHER

DISSIDENT TRIBAL FACTIONS FEUDING, AND SUCCESSFUL THAI ENFORCEMENT EFFORTS, COULD AGAIN MAKE LAOS AN IMPORTANT TRANSIT ROUTE FOR ILLICIT DRUGS. IT IS FOR THIS REASON THAT LAO ANTI-NARCOTICS EFFORTS MUST CONTINUE.

D) TRAFFICKING TRENDS

1. THERE HAS BEEN NO SIGNIFICANT CHANGES IN TRAFFICKING TRENDS IN LAOS SINCE LAST REPORTING PERIOD. INCREASED ENFORCEMENT EFFORTS BY MILITARY POLICE NARCOTICS DIVISION ON ROADS BETWEEN VANG VIENG AND VIENTIANE HAVE REDUCED THE MOVEMENT OF LARGE QUANTITY SHIPMENTS OF OPIUM BY LAND TO VIENTIANE AND REPORTS INDICATE THAT OPIUM TRAFFICKERS NOW HAVE TO MOVE SMALL QUANTITIES VIA "BODY PACKS" THUS AVOIDING ROAD BLOCKS.

2. MILITARY AIRCRAFT, ESPECIALLY HELICOPTERS, CONTINUE TO OPERATE IN OPIUM-GROWING AREAS AND REMAIN POTENTIAL CARRIERS OF OPIUM FROM NORTHERN LAOS TO VIENTIANE. REPEATED ATTEMPTS BY U.S. ENFORCEMENT ADVISORS TO GET THE LAO TO CLOSE THIS LOOPHOLE HAVE NOT BEEN SUCCESSFUL, BUT EFFORTS WILL CONTINUE BOTH IN ENFORCEMENT AND POLITICAL ARENA TO REDUCE USE OF MILITARY AIRCRAFT TO MOVE SMUGGLED GOODS. SIMILARLY CONTROL OF TRAVEL BETWEEN LAOS AND THAILAND HAS BEEN TRADITIONALLY LAX. EFFORTS TO STIMULATE CLOSER LAO/THAI COOPERATION CONTINUES. RECENT MEETING IN NOGHKHAH, THAILAND, BETWEEN LAO/THAI ENFORCEMENT OFFICIALS OFFERS HOPE FOR CLOSER SCRUTINY AT BORDER CROSSINGS.

E) REGIONAL AND MULTILATERAL COOPERATION

1. GSI DIRECTOR, GENERAL KHAMHOU, ATTENDED ECAFE-SPONSORED POLICE OFFICERS CONFERENCE IN BANGKOK DURING OCTOBER ON REGIONAL COOPERATION IN NARCOTICS CONTROL.

2. DURING NOVEMBER, PGNU DIRECTOR OF AGRICULTURE AND HIS RESEARCH SECTION CHIEF WERE SENT BY MISSION TO OBSERVE UNFDAC-SPONSORED CROP SUBSTITUTION ACTIVITIES IN CHIAN MAI, CONFIDENTIAL

PAGE 09 STATE 026838

THAILAND.

3. U.S. OFFICIALS WORKING ON NARCOTICS PROGRAM ATTENDED TRI-COUNTRY NARCOTICS CONFERENCE IN RANGOON, BURMA, NOVEMBER 20-22 TO DISCUSS NARCOTICS CONTROL IN TRI-BORDER AREA (RANGOON'S 3381).

4. UNFDAC TEAM VISITED LAOS IN OCTOBER AND PRESENTED AN INITIAL PROPOSAL TO PGNU THAT WAS HELD IN LIMBO BECAUSE OF AN APPARENT RELUCTANCE BY LAO TO ACCEPT ADDITIONAL FOREIGN EXPERTS (VIENTIANE'S A-116). (TEAM LEADER MR. MICUTA RETURNED TO LAOS JANUARY 21 AND AFTER INITIATING SOME MINOR CHANGES IN THEIR ORIGINAL PROPOSAL, NOW HAS BEEN ASSURED THAT THIS NEW DOCUMENT WILL BE SIGNED BY PGNU IN THE NEAR FUTURE. DETAILS

WILL BE SENT SEPTEL.)

F) EMBASSY AND HOST GOVERNMENT ACTIVITIES

1. IN AN EFFORT TO IMPROVE IMPLEMENTATION OF 1971 ANTI-NARCOTICS LAW AMBASSADOR WHITEHOUSE, DCM CHAPMAN AND POLITICAL OFFICERS HAVE SPOKEN TO MINISTER OF JUSTICE OFFICIALS INCLUDING MINISTER KHAMKING SOUVANLASY CONCERNING NEED FOR INCREASED ENFORCEMENT OF LAW. ACCORDING TO STATISTICS, OF 118 CASES SENT TO MINISTRY OF JUSTICE (MOJ) FOR COURT ACTION SINCE PASSAGE OF LAW, THERE HAD BEEN ONLY NINE DISPOSITIONS INVOLVING ONLY LIGHT SENTENCES OF SIX TO EIGHT MONTHS. MINISTER SUGGESTED THAT THERE WERE MANY LOOPHOLES IN EXISTING LAW AND MOJ DIRECTOR OF JUDICIAL AFFAIRS OBSERVED THAT A LAW IS NOT ENFORCEABLE UNTIL IT IS FUNDAMENTALLY ACCEPTABLE TO PEOPLE THEMSELVES. HE SUGGESTED SEVERAL PROBLEMS RELATED TO EXISTING LAW: A) ENFORCEMENT AND MOJ COOPERATION MUST BE IMPROVED; B) OPIUM DENS SHOULD BE LEGALIZED UNDER ANTI-NARCOTICS LAW BUT CLOSELY CONTROLLED BY LAO GOVERNMENT. (COMMENT: FIFTY DENS STILL OPERATE IN VIENTIANE AND WE DOUBT LEGALIZATION WOULD IMPROVE CONTROL SITUATION.); C) NARCOTICS ENFORCEMENT EFFORTS SHOULD BE AIMED MORE AT MAJOR TRAFFICKERS NOT CONSUMERS

2. ALTHOUGH MOJ OFFICIALS RECOGNIZE THE PROBLEMS CONNECTED WITH EXISTING LAW AND THE MINISTER OF JUSTICE HAS HIS STAFF WORKING ON IMPLEMENTING REGULATIONS THAT HOPEFULLY WILL RESULT IN A WORKABLE LAW, THE MINISTER CAUTIONED THAT THE PATHET LAO WERE CONFIDENTIAL

PAGE 10 STATE 026838

EXCEEDINGLY SLOW IN AGREEING TO VARIOUS AMENDMENTS HE WAS PROPOSING TO OTHER LAWS.

G) ENFORCEMENT

1. DURING PERIOD JULY 1 TO DECEMBER 31 THERE WERE 37 NARCOTICS SEIZURES (I.E., SEVEN BY GSI, FOUR BY CUSTOMS, FOURTEEN BY MILITARY POLICE, EIGHT BY NATIONAL POLICE AND FOUR BY JOINT EFFORTS). VARIOUS TYPES OF NARCOTICS WERE SEIZED (I.E., 26 WERE OPIUM SEIZURES, FIVE WERE #4 HEROIN, FOUR WERE #3 HEROIN SEIZURES, ONE WAS LIQUID HASHISH, MARIJUANA AND CHEMICAL /LAB EQUIPMENT FOR HASHISH CONVERSION, AND ONE CONSISTED OF HEROIN PRECURSORS). DURING THE REPORTING PERIOD 141.392 KGS. OPIUM, 1.4186 KGS. #3 HEROIN, 0.38139 KGS. #4 HEROIN, 5.650 KGS. LIQUID HASHISH, 348.446 KGS. MARIJUANA AND FOLLOWING HEORIN PRECURSORS WERE SEIZED BY LAO CUSTOMS IN VIENTIANE ON OCTOBER 29: 20 LITERS HYDROCHLORIC ACID, 130 LITERS ACETIC ANHYDRIDE, 100 LITERS CHLOROFORM, 55 GALLONS ETHER, 55 GALLONS DRUM SODIUM CARBONATE, 1 BUCHNER PORCELAIN FUNNEL, SEVERAL HUNDRED PLASTIC BAGS.

2. DURING REPORTING PERIOD THERE WERE INDICATIONS THAT HEROIN #4 AND #3 PRODUCTION MAY HAVE BEEN TAKING PLACE IN LAOS AS



EVIDENCED BY SEIZURE OF HEROIN PRECURSORS BY CUSTOMS, CITED ABOVE, AS WELL AS A MILITARY POLICE INVESTIGATION WHICH INDICATED POSSIBLE PRESENCE OF A #3 HEROIN LAB NEAR VIENTIANE. INVESTIGATIVE EFFORTS TO LOCATE THE "LAB" HAVE PROVED UNSUCCESSFUL TO DATE.

3. ON OCTOBER 24, AN AUSTRALIAN CITIZEN RESIDING IN VIENTIANE WAS ARRESTED BY GSI OFFICIALS AS A SUSPECT IN MANUFACTURE OF LIQUID HASHISH AND CANNABIS BOUND FOR CONUS. THIS WAS FIRST KNOWN HASHISH OIL LABORATORY IN LAOS AND SECOND ARREST OF THIS TYPE MADE IN SEASIA. ALTHOUGH SUSPECTS IN CASE HAVE BEEN FREED ON BAIL, ADJUDICATION IS EXPECTED IN NEAR FUTURE.

#### H. INCOME SUBSTITUTION (REDIRECTION)

1. DURICO REPORTING PERIOD OPERATIONS CONTINUED AT PHOU PHA DENG, HIGH ALTITUDE CROP INTRODUCTION CENTER, XIENG NGUEN REDIRECTION TRAINING CENTER, AND ON LAND CLEARING PROJECTS IN CONFIDENTIAL

PAGE 11 STATE 026838

HOUA KHONG PROVINCE FOR HILLTRIBE FARMERS WHO FORMERLY GREW OPIUM.

2. RESULTS OF CROP TESTING PROGRAMS AT PHOU PHA DENG INDICATE THAT CROPS SUCH AS COFFEE, TEA, GINSENG, SHIITAKE MUSHROOMS AND SERICULTURE ARE POTENTIAL OPIUM SUBSTITUTES, BUT ALL REQUIRE FURTHER VERIFICATION TRIALS THAT WILL BE CONDUCTED AT THE SITE. DRY SEASON ROAD TO PHOU PHA DENG WAS COMPLETED DURING REPORTING PERIOD AND CENTER IS NOW ACCESSIBLE BY JEEP. ROAD SHOULD REDUCE CENTER'S DEPENDENCE ON AIR SUPPORT TO TRANSPORT PERSONNEL AND COMMODITIES TO PROJECT SITE. UNFORTUNATELY, HOWEVER, ACTIVITIES AT PHOU PHA DENG WERE INTERRUPTED DURING LATE DECEMBER WHEN INSURGENT TROOPS TOOK OVER BAN HOUET SAI AND IN SO DOING ATTACKED VILLAGE OF PHOU PHA DENG. (ONE OF THE REBEL DEMANDS WAS TO REPEAL THE ANTI-NARCOTICS LAW.) WHAT IMPACT THIS ATTACK WILL HAVE ON FUTURE ACTIVITIES IN AREA REMAINS UNCLEAR AT THIS WRITING AND WILL BE SUBJECT OF SEPTEL.

3. A JOINT PGNU/US EVALUATION OF XIENG NGUEN REDIRECTION TRAINING CENTER, WHICH TRAINS HILLTRIBE FARMERS HOW TO PLANT AND RAISE POTENTIAL SUBSTITUTES FOR OPIUM, WAS UNDERTAKEN IN AUGUST TO ASSESS CENTER'S CURRENT INSTRUCTION AND TEACHING EFFECTIVENESS. 57 GRADUATES OF THE CENTER WERE INTERVIEWED IN THEIR VILLAGES. RESULTS OF THIS EVALUATION ARE BEING DISCUSSED WITH LAO DIRECTORATE OF AGRICULTURE IN AN EFFORT TO RESTRUCTURE TRAINING PROGRAM TO BETTER MEET NEEDS OF HILLTRIBE FARMERS.

4. LAND CLEARING PROJECTS CONTAINING SMALL IRRIGATION DAMS CONTINUE ON A SELECTED BASIS TO PROVIDE FORMER POPPY GROWERS WITH PADDY LAND IN AN EFFORT TO REDUCE THEIR DEPENDENCE ON OPIUM AS A CASH CROP.

I) TREATMENT/REHABILITATION/EDUCATION

1. GROUND BREAKING CEREMONY FOR NEW NATIONAL DETOXIFICATION CENTER IS SCHEDULED FOR FEBRUARY 1975. MINISTER OF HEALTH, DR. KHAMPHAI ABAY, HAS AGREED TO SUPPORT, ON A PILOT BASIS, ESTABLISHMENT OF TWO OUTREACH DETOXIFICATION PROGRAMS IN OPIUM-GROWING AREAS OF BAN XON, XIENG KHOUANG PROVINCE AND BAN HOUET SAI. DETAILS OF THESE PROGRAMS ARE NOW BEING COMPLETED. THESE FACILITIES, WHEN COMPLETED, WILL BE SUPPORTED BY USAID  
CONFIDENTIAL

PAGE 12 STATE 026838

PUBLIC HEALTH DIVISION USING SECTION 482 FUNDS AND STAFFED BY LAO MINISTRY OF HEALTH PERSONNEL.

2. DURING OCTOBER VISIT OF UNFDAC TEAM MISSION NOTED ABSENCE ON THEIR TEAM OF AN EXPERT ON DRUG ABUSE. ALTHOUGH WE ARE PLEASED WITH UNFDAC'S INITIAL INTEREST IN AGRICULTURE REDIRECTION SUPPORT FOR LAOS, WE HOPE THAT UNFDAC WILL EVENTUALLY BECOME INVOLVED IN DRUG REHABILITATION EFFORTS IN LAOS WHICH ARE PRESENTLY SUPPORTED BY USG.

3. ALSO, DURING SEPTEMBER 1974, DR. JEAN PAUL SMITH, ASSISTANT DIRECTOR FOR INTERNATIONAL AFFAIRS, NIDA/HW VISITED NATIONAL DETOXIFICATION CENTER AND TALKED WITH ALL ELEMENTS OF AMERICAN COMMUNITY CONCERNING POSSIBLE DRUG ABUSE PROBLEMS IN LAOS.

4. MISSION BELIEVES THAT NARRATIVES SUBMITTED BOTH IN FISCAL YEAR 196 PROGRAM SUBMISSION (VIENTIANE A-102) AND MISSION FISCAL YEAR 196 PBS, WITH FOLLOWING CHANGES, ADEQUATELY DESCRIBE TO CONGRESS OUR NC PROGRAM OBJECTIVES:

A. AS A RESULT OF USAID PASA WITH DEPARTMENT OF STATE, MISSION REQUESTS THAT USAID PROGRAM OFFICER'S POSITION BE RETAINED THROUGH DURATION OF PROJECT (I.E., DOLLARS 30,000 BE ADDED TO FY76 ESTIMATED BUDGET AND ALL SUBSEQUENT YEARS PER VIENTIANE A102, TABLE II, PART B(1), US PERSONNEL, PAGE 8).

B. ALSO ADD ONE U.S. DIRECT HIRE AGRICULTURIST POSITION TO AGRICULTURE REDIRECTION SUB-PROJECT TO BACKSTOP FIELD PROGRAM. INCUMBENT PRESENTLY DEVOTING MORE THAN 50 PER CENT OF TIME TO NARCOTICS CONTROL BUT IS NOT NC FUNDED. (I.E., ADD DOLLARS 35,000 TO FY76 ESTIMATE BUDGET AND ALL SUBSEQUENT YEARS PER VIENTIANE A-102, TABLE II, PART B(1), US PERSONNEL, PAGE 2).

5. MISSION NC WORKING LEVEL COMMITTEE APPRECIATES CLEAR AND CONCISE WASHINGTON REPORTING GUIDELINES.  
WHITEHOUSE

UNQTE  
KISSINGER

CONFIDENTIAL

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 26 AUG 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DRUG CONTROL, SEMIANNUAL REPORTS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** SmithRJ  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE026838  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** IO/HDC:LNC AVANAUGH:DD  
**Enclosure:** n/a  
**Executive Order:** 11652 GDS  
**Errors:** n/a  
**Film Number:** D750043-0610  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750287/baaaagpx.tel  
**Line Count:** 541  
**Locator:** TEXT ON-LINE, TEXT ON MICROFILM  
**Office:** ORIGIN IO  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 10  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** SmithRJ  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 23 JUN 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <23 JUN 2003 by KelleyW0>; APPROVED <31 OCT 2003 by SmithRJ>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** n/a  
**TAGS:** SNAR, LA  
**To:** GENEVA  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006